

PERSONNEL COMMITTEE - TUESDAY, 19 DECEMBER 2023

Report of the Chief Executive

Part A

GRADING STRUCTURE

Purpose of Report

To gain Personnel Committee's approval to introduce a revised grading structure to incorporate Grades F and G as set out in this report.

Recommendations

1. that Personnel agree the proposed changes to the Grading Structure.
2. to agree to the removal of spinal column point 74 which was used for a previous Deputy Chief Executive post but has remained unused since 2009.
3. that the Pay Policy Statement 2024/25 be amended to reflect the revised grading structure.

Reasons

1-3 To gain agreement on the revised grading structure and the associated change to the Pay Policy Statement 2024/25. The proposed changes to the grading structure were first discussed with the trade unions at the Joint Management Trade Union Meeting (JMTUM) on 19th July 2023. A paper was submitted by UNISON and GMB for further discussion at the following JMTUM meeting on 4th October 2023. A meeting of the Joint Negotiating and Consultative Committee (JNCC) was held on 15th November 2023. Agreement to the grading structure and this aspect of the Pay Policy Statement 2024/25 was not reached at JMTUM or JNCC.

Policy Justification and Previous Decisions

The proposed grading structure will ensure greater flexibility within the Council's pay scale with further rationale set out within the body of this report.

Implementation Timetable including Future Decisions

Following Personnel Committee, it is proposed that the revised grading structure set out within this report is implemented and the Pay Policy Statement 2024 – 25 is amended to reflect this.

Report Implications

Financial Implications

There are no financial implications.

Risk Management

There are no risks identified..

Equality and Diversity

None identified.

Climate Change and Carbon Impact

None identified.

Crime and Disorder

None identified.

Publicity Arrangements

Not applicable.

Consultations

Not applicable.

Links to the Corporate Strategy

| | |
|----------------------------|----|
| Caring for the Environment | No |
| Healthy Communities | No |
| A Thriving Economy | No |
| Your Council | No |

Key Decision:

N

Background Papers:

Appendix A – Proposed Salary Scale
Appendix B – Trade Union Response for JMTUM 4
October 2023
Appendix C – Job Evaluation Policy with proposed
TU amendments

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Part B

Background

1. The Chief Executive post sits at the highest level within the officer salary grade. When the current Chief Executive was recruited the salary range was reviewed and was benchmarked by East Midlands Councils against roles within similar sized authorities. Recommendation 1 of the Personnel Committee Report, 8th July 2019 states:

That the Committee consider the recommendation made by East Midlands Councils that the current spot salary of £121,338 for any appointment to the Chief Executive post be replaced with a graded salary range as follows, with annual progression being subject to satisfactory performance until the maximum grade point is reached:

Point 1: £125,000

Point 2: £130,000

Point 3: £135,000

Point 4: £140,000

3. As at April 2023 the grading is:

| Chief Executive | Spinal Point | Annual Salary | Reference |
|-----------------|--------------|---------------|-----------|
| | 91 | 136920 | CEX1 |
| | 92 | 142317 | CEX2 |
| | 93 | 147714 | CEX3 |
| | 94 | 153111 | CEX4 |

4. Within the same Personnel Committee report it was identified that ‘an increase in the salary for the Chief Executive could result in a ‘trickle down’ effect on other salaries in the organisation and any incoming new Chief Executive may be required to address this, potentially as part of a review of the senior management structure’.
5. No changes have been made to the grading structure under the current Chief Executive, including within the Leadership Review undertaken in 2022. Therefore, there remains a wide difference between the Chief executive salary grades and the top of the current JNC E.
7. Having reviewed the grading structure it is proposed to introduce grade JNC F and JNC G which will sit at spinal points 70-73 and 74-78 (see table outlined below). This is to ensure the organisation remains competitive in terms of salaries and enables greater flexibility within the pay scale.
8. When considering the potential reasons for increasing salary scales for senior staff at Charnwood Borough Council, it is important to acknowledge that this approach can be perceived as controversial and may face challenges due to the perception of other staff members and potentially the political landscape. Any decisions for posts to fall within a different pay scale would be subject to a job evaluation review. In making this proposal the Council has considered:

- I. Retaining and attracting top talent: By having the scope to offer higher salaries to senior staff, the council aims to attract highly skilled professionals with significant experience and expertise. Posts at these JNC levels will ensure effective leadership and decision-making, especially during challenging times or complex projects. Furthermore, retaining talented individuals within the organisation can contribute to stability and continuity.
 - II. Market competitiveness: In looking at its workforce planning, the council needs to align senior staff salaries with those offered by similar-sized local authorities. The increased scope of the pay scales could prevent the loss of competent professionals who might seek more competitive compensation elsewhere, ensuring the council can continue to benefit from their knowledge and experience.
 - III. Specialised skills and responsibilities: Senior staff members often hold crucial roles with substantial responsibilities and specialised skills that may differ significantly from those of other employees. Some Chief Officer roles will be accountable for strategic planning, policy development, financial management, or handling sensitive issues. The job evaluation scheme is designed to consider the complexity and criticality of their roles.
 - IV. Risk and accountability: Senior staff members often bear a higher level of risk and accountability due to their decision-making authority. They may face legal, financial, or reputational consequences if mistakes occur. Acknowledging this increased risk through if a role is deemed to fall within a higher pay band could be justified as a means to attract individuals who are willing to assume such responsibilities and liabilities.
9. Any change to the grading structure would require the job evaluation boundary scoring system to be updated. Specialist advice would be sought in relation to this.
 10. Outlined at Appendix A is the current grading structure, including the proposed grade JNC F and JNC G.
 11. In addition to proposing new grades it is recommended that the current Deputy Chief Executive spinal spot point of 74 be removed as this has not been utilised since 2009 and will be superseded by the new grades.

Negotiation Process

JMTUM – 19 July 2023

12. Formal discussions with the trade unions commenced on 19 July 2023 at the Joint Management Trade Union Meeting (JMTUM).
13. The item was introduced at JMTUM noting that it was a request to close the gap between the Chief Executive and the Director salary grades to allow for salary increases if required and to allow for greater flexibility within the salary scale.

14. The Trade Unions (UNISON and GMB) did not agree the proposal and set out their reasons at that meeting. Some of the responses included:
 - It was unclear how the creation of two additional grades at the top level would affect the roles lower down the salary grades and have a beneficial impact for all staff.
 - That the council should consider job evaluation for all staff.
 - They wished to see a wider scope that would encompass other recruitment and retention issues and solutions.
15. Management response included the following:
 - The rationale behind the proposal was to close the gap between the current Chief Executive and Director grades and to allow flexibility if appointing to these roles in the future.
 - It also provides space further down the salary scale for other roles.
 - This proposal is one of many tools that might be used to support other activities to improve staff recruitment and retention.
 - That there was no negative impact on staff with this proposal and to withhold support for it to try and gain leverage for other issues, such as job evaluation, was disappointing.
16. It was agreed that the unions prepare a formal response to the grading structure report for discussion at the next JMTUM meeting on 4 October 2023.

Trade Union Response

17. The full trade union response is set out at Appendix B.
18. In summary UNISON responded to 4 key areas set out in the Chief Executives JMTUM report of 19 July 2023:
 - Retaining and attracting top talent and market competitiveness – UNISON agreed that higher pay helps to retain top talent and maintains competitiveness. However, their report outlined that this principle applies to all staff within CBC.
 - Specialised skills and responsibilities and risk and accountability – UNISON acknowledged that the work of senior directors may be of a value greater than which they are currently paid. They stated that this is why an effective, transparent Job Evaluation scheme is so important.
19. GMB responded with the following key points:
 - The proposal should not be considered in isolation from recruitment and retention difficulties across the Council and without considering if there are anomalies with the grading structure elsewhere in the Council.
 - The Council should also consider the scope for introducing changes to grade structures at some lower levels - looking at career grades for example.
 - Requested a mechanism be put in place for regular job evaluation of all posts at, for example, 20% done each year.

- GMB would not support managements proposal as it stands but would be willing to do so if their points were considered satisfactorily and a commitment was given to evaluate jobs on an ongoing rolling 5 year basis.
20. In addition, UNISON and GMB set out further suggested changes to the Job Evaluation Procedure. These are provided at Appendix C.

JMTUM – 4 October 2023

21. As agreed at the previous JMTUM management and the Trade Unions met on the 4 October 2023 to discuss the formal Trade Union response (Appendix B). It was reiterated that the Management proposal was to create space and support senior management retention. There was no detriment to union members and the proposal would create more opportunity for all staff to progress.
22. It was further set out that any future discussions around job evaluation should be considered separately as this was a separate issue to the grading structure. The wider issues regarding retention and recruitment should also be discussed at a future JMTUM meeting.
23. There followed a discussion between the Trade Unions and Management side. The key responses from both are set out below:
24. UNISON views:
- In principle they were not opposed to adding two new job grades but didn't agree it wasn't detrimental to their members. There was a fixed amount of money available to local authorities and with reference to the recent ECU allowance agreement, members would be asking why the money was being allocated at top level when they were seeing cuts to their benefits and allowances.
 - If the rationale was that adding two job grades was beneficial to attract and retain top talent, this should be considered in broader terms and applied to lower levels, not be taken in isolation.
 - A review of the job evaluation process to improve its transparency was necessary.
 - If the Management side would accept their proposals of Trade Union representation on Job Evaluation (JE) and appeals panels, they would be happy to move this forward.
 - It was acknowledged that other work was being carried out to improve recruitment and retention and that the need to improve space at top levels was recognised, but Trade Unions should be involved on JE panels as there was a lack of transparency.
25. GMB views:
- If the Management side could agree to review the job evaluation process this could be part of its discussion with its members.
26. In response Management outlined the following:
- It was considered that the Trade Unions were, by not agreeing, wishing to lever improvements in other areas which were not related to the proposal to add two job grades.

- It was acknowledged that there were issues with pay and retention, and that the proposal to add two job grades was part of a package to improve this, but the wider issues should be considered separately at a later time.
- The Job Evaluation policy had been reviewed recently, job grades were evaluated as and when they were requested, and the process monitored on a rolling basis. To review the whole process would be a considerable amount of work for officers.
- The Management side would not commit to reviewing the job evaluation process.
- The grading at lower levels was very tight and did not allow for any manoeuvrability as JNC A which had previously created as a buffer was now in use.
- Some senior salaries did not compare favourably with private sector salaries, and it would not be beneficial to the Council if senior staff left.
- By not increasing space at top levels there was nowhere for staff on lower pay grades to move upwards, creating a 'pressure cooker' environment, which was already impacting some staff.
- Of the posts job evaluated since the start of this year, up to 3 October 2023, 7 posts had increased, 11 were new posts and 11 had stayed the same. No job had moved down in grade. Of the 29 jobs evaluated this year so far 24% of the overall figure had increased in grade. However, in reality this figure is more appropriate when looking at the percentage of existing jobs that have increased which equates to 39%.
- It was explained that this proposal had not been the first priority for the Council and other work had been completed such as the recruitment and retention policy and market supplements before this proposal.

JNCC – 15 November 2023

27. As agreed at the previous JMTUM, the matter proceeded to JNCC on 15 November for consideration as agreement had not been reached to date.
28. In presenting their position, management stated the following key points:
- A large gap in the pay spine had long been recognised and the proposal to introduce two pay grades JNC F and JNC G would rectify this.
 - it would support the Council's ability to recruit and retain senior staff with appropriate expertise. It was noted that the Council was falling behind with comparators in the public sector.
 - it would not be detrimental to any staff and would expand the grade structure to allow for development further down the pay grades which were currently compacted.
 - if the proposal was successful it would proceed to full Council as part of the Pay Policy Statement.
29. In response, the Trade Unions (TU) stated that:
- in principle UNISON did not disagree with the proposal to add two pay grades but were concerned that approximately a year previously the Trade Unions had ended negotiations with the Council over the removal of the Essential Car Users Allowance.

- it was challenging to agree to the addition of two pay grades at the top level when there were issues with recruitment lower down the grade structure.
- it had been recognised that there were difficulties with recruitment and retention of staff and in his view, this affected many areas of the Council and could be addressed by considering job evaluation (JE) processes.
- at a previous JMTUM the Trade Unions had raised concerns about job evaluation and their concerns had not been addressed and Management had chosen to proceed straight to JNCC.
- the Management report stated that *'any decisions for posts that fell within a different pay scale would be subject to a job evaluation review'*. The TUs considered that this explained why they wished to see a review of the job evaluation process. A number of their members had commented that the process was not transparent or fair.

30. Management were asked to provide a response, and a discussion ensued.

Management raised the following additional points:

- this was a benign and specific proposal to introduce two pay grades and was unrelated to job evaluation (JE). Although it was noted there was a JE element to the proposal, this was separate to the concerns raised by the TUs. The Trade Unions had stated they did not disagree in principle.
- Management would welcome discussions on recruitment and retention and consider Trade Union involvement in the job evaluation process at a future meeting of JMTUM but believed that the TU were using this as an opportunity to raise other issues.
- the proposal would provide an opportunity to expand job grades at lower levels and opposition to this proposal could be suggesting that the TUs were biased towards senior roles.
- Trade Union representatives were currently involved in the JE process, through supporting staff to draft presentations and attending panels and appeals. With reference to transparency of the process HR had not been apprised of any difficulties.
- the ECU allowance negotiations were separate to this proposal. This proposal was part of a package of tools to address resource issues.
- the Job Evaluation Policy had been reviewed in October 2020 with consultation and negotiation undertaken with the Trade Unions as per the usual process.
- 42% of the total number of current establishment job roles evaluated had increased, with 0% reducing in grade for the period of Jan - Oct 2023.

31. The Trade Unions raised the following additional points:

- GMB did not support the proposal and considered that job evaluation was linked to pay grades. They wished to see a robust, fair and transparent JE process for all grades and to be involved throughout the process. Recruitment and retention was an issue across the grading structure. The negotiations for ECU allowance had reduced member's pay and the proposed introduction of two grades amounting to £17K at a senior level would be difficult for members to digest. It was not a bias against senior staff, just a request for transparency and fairness for many and not the few.
- in UNISON's view pay and grading were not separate to the job evaluation process, the two matters were enmeshed. They considered their valid concerns

and request to be involved in the JE process were being pushed to one side to expedite the proposal.

- GMB stated that if Management would agree to reviewing the JE process they would be open to considering the proposal.
32. It was clarified that the Trade Unions did not agree to any of the recommendations in the Management report and that the proposal to introduce two new job grades would be submitted to the next ordinary meeting of the Personnel Committee. In accordance with the JNCC Constitution, both views are to be presented to Personnel Committee for consideration.